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**COMMUNICATION FROM THE COMMISSION  
TO THE COUNCIL AND THE EUROPEAN PARLIAMENT**

**ON EDUCATION AND TRAINING IN THE CONTEXT OF POVERTY REDUCTION  
IN DEVELOPING COUNTRIES**

## SUMMARY

The purpose of this Communication is to stress the vital importance of education in reducing poverty and in development and to present an overall framework for the objectives, priorities and methods of the Community in education and training in developing countries.

The Communication refocuses sectoral support **on reducing poverty in line with recent international undertakings, in coordination with developing countries' policies and on the basis of complementarity with other donors**. Its purpose is to focus all of its methods on support for education and training and to **set out guidelines for the Community**.

The Communication recognises the vital role of the countries and identifies three priorities for Community support: **basic education, in particular primary education and teacher training, work-related training and higher education, especially at regional level**.

The strategy to be pursued will involve support for basic education as first priority (at both qualitative and quantitative level) and ensuring that girls as well as boys have attained an acceptable level of schooling, before support of work-related training. Higher education will be supported at regional level in particular.

The principles to be followed in the political dialogue on education and training strategies are as follows:

- Total resources for education and training must be increased, in particular for the poorest countries and population groups;
- The recurrent expenditure of "education" budgets can be covered by the Community subject to certain conditions;
- Developing countries will have to improve the efficiency and quality of their education systems;
- They will have to improve access to primary education by working towards making it compulsory and free;
- Equality between the sexes is essential;
- The links between AIDS and education should be taken into account in education programmes;
- Account should be taken of education issues in conflict prevention and in conflict and post-conflict periods in order to protect children, in particular girls.

As regards political and strategic dialogue, the Commission will use its programming framework (the Country Strategy Papers) and, for the countries eligible for the HIPC initiative, the Poverty Reduction Strategy Papers prepared by the partner countries.

Lastly, the Community's strategic approach in developing countries will be based on the following guidelines:

- the sector-wide approach;
- consideration of the macroeconomic and budgetary framework;
- consideration of the needs and participation of the poor;
- participation by education actors and civil society in the broad sense;
- support for institutional development and capacity-building;
- monitoring and results (indicators);
- increased coordination and complementarity between all the partners.

Sectoral support for education will as far as possible be provided through macro-economic support on the basis of sectoral programmes founded on dialogue with all the partners.

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## I. INTRODUCTION

1. Education and training play an essential role in reducing poverty and in development. This is borne out by a series of undertakings made by the international community.

The Dakar Forum (“Education for All”) in April 2000 reaffirmed and broadened the international community’s commitment to compulsory primary education for all by 2015.

Under the Millennium development objectives for education, all children (boys and girls) should complete at least primary education by 2015.

In their Joint Statement of November 2000, the Commission and the Council affirmed that the main objective of Community development policy must be to reduce and, eventually, to eradicate poverty. The Commission and the Council noted, in this context, that the promotion of **equitable access to social services, i.e. health and education services**, is a vital dimension of poverty reduction.

2. The purpose of this Communication is therefore to present a new framework of guidelines for the Community which specifies the role that **support for education<sup>1</sup> and training can play in combating poverty in the developing countries**.

## II. EDUCATION AND TRAINING: KEY FACTORS IN REDUCING POVERTY

### 1. The role of education and training in combating poverty

Education and training have a significant positive impact on **health, social and political participation, equal opportunities, economic growth rates, income and productivity, especially from the point of view of the fair redistribution of the fruits of this growth**. Education provides the core skills that people, especially those who do not enrol for secondary education, need to be able to find work.

In parallel, education has positive effects **in terms of good governance**: education can play a key role since it enables people to claim greater transparency and accountability on the part of the authorities and therefore to obtain better access to local resources and public services.

At the same time there is incontrovertible evidence that primary education cannot be developed and economies cannot grow without an education system that trains teachers and a large number of students beyond the elementary level and up to university level. **Education therefore has to be developed in a balanced way**, i.e. care must be taken to ensure that systems produce students at different levels and that their qualifications are in keeping with labour market demand.

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<sup>1</sup> Definitions of the various levels of education and training are set out in Annex I.

An overview of the education situation, in the developing countries in particular, is given in Annex 2.

## 2. Action by the developing countries

Experience shows that the developing countries play a crucial role in gearing their policies and action to support the education and training systems. Some countries have succeeded in significantly increasing school attendance rates, although considerable problems remain as to the quality of education.

Essential measures in this field are: increasing the funds devoted to educational systems, good governance, a credible and stable macro-economic framework and the ownership of reforms by governments.

Other countries have failed to translate their international commitments into budget appropriations and to encourage initiatives benefiting the poorest.

School attendance rates are continuing to rise, but not quickly enough. In overall terms, demographic growth is also having an adverse effect on trends in school attendance rates throughout the world: this is true even though birth rates are tending to decline, although the extent of this decline is very different in different regions.

## 3. International undertakings

- At the **World Summit for Social Development in Copenhagen (1995)**, the developing countries also undertook to increase the resources channelled to the social sectors, with voluntary dialogue on the 20/20 principle under which **20% of aid and 20% of the budgets of developing countries are to be channelled into the basic social sectors of these countries**.
- **The Framework for Action on Education for All (April 2000)** reiterated the international commitment to provide support for basic education within the framework of the Millennium development objectives and strengthened this commitment through increased action and through its extension to other objectives within the sector: "**no country seriously committed to education for all will be thwarted in their achievement of this goal by a lack of resources**". The objectives adopted can be summarised as follows:

- Generic declaration on education and the protection of infants and the acquisition of life competences by young people;
- Compulsory and free primary education for all by 2015;
- 50% improvement of the adult and in particular female literacy rate by 2015;
- elimination of gender-based inequalities by 2005 and the introduction of equality in primary and secondary education by 2015;
- improvement, in all respects, of the quality of education that can be measured by recognised and quantifiable results.

#### 4. Action by countries and donors

- In a context of stagnating Official Development Aid (ODA), donors have not increased their education aid to the developing countries to any great extent. At present, an average of approximately 10% of all ODA among the DAC members is channelled into support for education; differences range from 3% in the case of US aid to 12% of total aid from the Community and its Member States (Annex 3). The share of total aid for education allocated to basic education has remained constant at 15%, i.e. no more than 1.5% of total aid from the DAC countries!
- A recent external evaluation of the process of PRSPs shows that for the 24 countries currently benefiting from the HIPC initiative, the social sectors will not necessarily be strengthened. Even after debt alleviation the countries will only allocate between 3 and 5% of GDP to the social sectors, while three-quarters of these countries have spent more than 10% of their revenue on servicing the debt in 2001.
- The data given in Annex 3 show that the Member States are not, in general, giving education in general priority over the other sectors of action. The World Bank, however, currently spends 7% of its resources on education, in the form of loans (USD 1 billion per annum). The policies and actions of the Member States are summarised in Annex 4.
- Community aid for the overall sector is shown in Annex 5, with a peak in Asia and sub-Saharan Africa. Aid for education and training accounts for roughly 6% of all Community aid; a substantial proportion of this aid goes on basic education. The Community's current investments at the end of 2001 total some EUR 2 billion.
- **A recent external evaluation of Community aid to the ACP countries** for education under the 7th and 8th EDF (1990-2000) shows a nominal but not substantial increase. The shift of priority to basic education has favourably influenced the amount of funds channelled to it, but the link between education and poverty reduction was recognised only after most of the programmes had been devised. Targeted macro-economic support is considered an approach that increases the financing of education systems. However, the evaluation shows that very substantial efforts still need to be made from the point of view of the impact and quality of education aid. It argues in general for limiting the number of projects, a sector-wide approach where possible, institutional capacity-building and better donor coordination (Annex 6).

The Commission is taking account of the findings of this evaluation in the programming of the 9th EDF (ACP) and programming for other regions.

### III. EDUCATION AND TRAINING PRIORITIES GEARED TOWARDS POVERTY REDUCTION IN THE DEVELOPING COUNTRIES

The Communities' priorities in education and training are:

- **Basic education (in particular primary education) and teacher training;**
- **Work-related training;**
- **Higher education, in particular at regional level.**

In setting these priorities, the Commission:

- Follows the principles of tightening up of priorities in the context of ownership by the countries and of coordination and complementarity with other donors, in particular the Member States;
- Is aware that it is impossible in practice to isolate either one level of education from another or the education system from all the external demands which cement it to working and everyday life;
- Focuses on the strategic priority unanimously agreed at the Dakar Forum, i.e. access for children to free basic education, at both infant and primary level (formal and non-formal sectors).

#### 1. **Basic education and in particular primary education and teacher training**

##### a) **The total resources channelled into education, in particular primary education, need to be substantially increased**

- Primary responsibility for implementing the strategy of Education for All lies with the governments of the developing countries. A clear sign of a commitment to this strategy will be their ability to **allocate resources in ways that enhance education** and in particular **primary education**, which is the cornerstone of basic education and the area in which the Community can play an important role as a catalyst, in particular through its budgetary support, and in ensuring that resources are targeted towards regions and disadvantaged groups and to countries where other donors do not sufficiently target education.
- **The international Community should give preference to countries that have the most clear-cut commitment to Education for All, in particular countries that are taking account of the needs of the poorest population groups, encouraging girls to attend school and removing barriers to education access, such as the costs of education.**

##### b) **The efficiency of education systems must be improved**

An increase in education expenditure is not enough on its own to improve progress in education: the efficiency with which different countries may use the same resources differs greatly.

Countries therefore need to make their education systems more efficient. Those that are successful combine high expenditure on primary education, reasonable unit costs and a low rate of repeated years.

Donors will therefore discuss education strategies with recipient countries in order to maximise the impact of the financial support that they can offer for these strategies. This obviously means that the amount of resources needed for education **must be discussed not across the board but with each individual country.**

c) **Countries must improve school access opportunities and move towards free access to primary education**

Parents are often discouraged from sending their children to school because they have to pay some or all of the costs of education. **There is now a world-wide consensus that primary education should be universal and free (Education for All).**

The introduction of free and compulsory primary education may have consequences for a country in terms of additional financial resources. The Community should therefore help countries that have demonstrated a firm desire to move in this direction.

Providing the largest possible number of children with access to school is also a way of combating child labour, and of complying with Convention 182 prohibiting the worst forms of child labour, which is among the **fundamental ILO Conventions** to whose implementation the Community is committed.

d) **Education budgets should therefore be geared towards the most urgent needs, i.e. towards poor and vulnerable population groups which have only limited access to schools**

Priority should be given chiefly to **rural** areas rather than urban areas where school attendance is easier and where gross attendance rates are much higher, even though severe problems of poverty in towns and cities may prevent children from attending school, **girls** and women (see following section), **children and adults** with special educational needs (disabled, orphans) and **indigenous peoples** whose specific needs need to be taken into account through intercultural dialogue.

From this point of view, the **urban/rural balance** needs to be seriously considered. This means that it must be possible to encourage children brought up in rural areas to pursue their education and training *in situ*; vocational and secondary education schools should be located at district level. When decentralisation processes are taking place the Community and the Member States should therefore promote **financial support at district level in recipient countries within sectoral programmes.**

Recognition of these urgent needs should be reflected by the construction of more schools closer to areas in which disadvantaged population groups live, and by **the training of more teachers in these areas.**

e) **Gender equality is a fundamental priority in connection with access to and the fairness and quality of education**

Education for All is underpinned by a strong commitment to gender equality in education; although the gap between the school attendance of girls and boys is falling, girls are still lagging behind. This means that educational strategies must be supported by gender analyses. Gender analysis means, moreover, that specific measures need to be taken from the point of view of teacher training and of programmes intended to step up the demand for education from girls and to open up opportunities for women teachers.

To reduce gender-based inequalities in education systems the Commission recommends that the following points be taken into account in discussions on country strategies and sectoral programmes:

- a national policy to support women's advancement;
- campaigns to make parents aware of the advantages of educating girls;
- curricula and teaching materials from which gender stereotypes have been removed;
- more appropriate and better distributed education infrastructure and facilities, in particular in rural areas, **as distance to school is a serious barrier to attendance by girls**; this is especially true of continued attendance at secondary level (boarding schools must be located as close as possible to pupils);
- active promotion among parents of choices of education that help girls to advance, including in non-traditional areas;
- measures to step up the number of women teachers;
- analysis instruments and statistics through which girls' performance can be genuinely measured;
- consultation of and participation by the actors when planning education measures (families, experts, NGOs, etc.).

f) **The stress must be placed as much on the quality as the quantity of education**

If **quality is to be improved** it has to be part and parcel of the content of sectoral programmes which must reflect local situations; the only way of ensuring success here is to involve the authorities of countries and the civil society actors working in the educational field. This highlights the fact that countries must attach as much priority to the **abilities acquired by pupils as to the extension of school coverage**.

The issue of quality overlaps the issue of **stimulating demand for education**. Such stimulation programmes highlighting the value of education include: care for infants (Education for All), activities to upgrade girls' education, the availability of secondary education facilities, adult literacy programmes, partnerships between schools, parents and communities, and measures to promote children's health at school (nutrition, school canteens).

More specifically, measures that can help to improve quality include local community participation in the management of educational issues and **an increase in the number and an improvement of the status and training of school teachers and principals** which is an absolute priority in this context. Curricula must be practical and adaptable. There must be opportunities to monitor and evaluate educational performance so that

progress can be measured other than in quantitative terms. The availability and adequate use of **appropriate teaching materials** (textbooks) is also important.

The **language of learning** (in particular the mother tongue and the common language) plays a key role in access to education and its quality.

Many countries of sub-Saharan Africa and southern Asia have a poor educational environment. The **development, maintenance and appropriate location of school infrastructure** plays a vital role in high-quality results. In this respect, the importance of locating schools as close as possible to pupils needs to be stressed.

The Commission also stresses the importance of including in curricula (wherever possible) essential elements relating to the **protection of human rights and democracy in the context of education for peace and respect for cultural diversity**.

**g) Developing countries and donors need to pay much more attention to the impact of AIDS on education systems**

AIDS has an impact on the education sector and education can play a key role in limiting the epidemic and in protecting the health of people affected.

- AIDS affects education systems in two ways: firstly, there is increasing pressure on education systems to provide information on AIDS. Secondly, AIDS can have a negative impact on school systems (fewer pupils and teachers, therefore fewer classes) and methods of teaching and learning, and on the quality of education (owing to higher rates of absenteeism among teachers and pupils).
- Lack of education and poverty are serious obstacles to the fight against AIDS. Education can play a key role both in limiting the spread of AIDS and in helping people to cope with its effects. Experiences in Thailand and Uganda show that a political will on the part of governments to use education to combat AIDS, by introducing special curricula into school syllabuses, has been helpful in halting the spread of the disease.
- Other methods of prevention include the provision of appropriate teaching materials, the recruitment of teachers together with specific support, special arrangements for orphaned students, the strengthening of community social funds, school information campaigns and the inclusion of specific education programmes in health programmes.

**h) Education must be protected and restored in conflict and post-conflict periods**

50% of children who do not attend school live in countries in crisis or in a post-conflict situation (some 73 countries throughout the world) and 82% of the 113 million school-age children who do not have access to primary education also live in these countries.

Among measures taken to prevent conflicts, education should be given an essential role in order to promote social cohesion and a culture of peace. From this standpoint the content of teaching programmes, school books and the language of instruction are decisive factors.

In periods of conflict, during which education systems are severely tested or even destroyed, particular measures need to be taken to protect children, and in particular girls, and to maintain a minimum education system.

Countries in transition, countries at war and countries emerging from crises are countries which do not have sufficiently consolidated strategies. This must not be left out of the equation but must receive the aid that they will need in future to achieve the objectives of Education for All, in the same way as countries that do have sound programmes.

In post-conflict periods, governments and donors must rebuild school infrastructure and ensure that enough human resources are available for children to return to school.

In its Communications on linking relief, rehabilitation and development of April 1996 (COM(96)153) and April 2001 (COM[2001]153 final), the Commission stressed that relief measures should take account of long-term development objectives, which is particularly true in the case of education.

In practice, the Community and the Member States should agree on the following principles:

- education must be a key component of crisis-related policies;
  - education is a fundamental component of reconstruction programmes.
- i) **Knowledge of education programmes relevant for development must be increased.**

Improving knowledge involves first of all the need for **better statistics on education and training**. Many developing countries do not possess all the data that they need to introduce efficient education policies. Good statistics can help to identify groups facing serious school attendance problems or problems in completing education as well as the necessary financing requirements. Donors also need reliable statistics to be able to plan, manage and evaluate aid.

A further aim is to **deepen and pool knowledge** of the ways in which education policies can be introduced and implemented, and of the lessons that can be drawn for success in other countries, although the reproducibility of reforms from one country to another should be viewed with caution. Issues covered here include, for instance, education quality, gender equality and distance learning.

## **2. Work-related training and the development of qualifications: taking account of education demand**

- a) Training can be provided in specialist centres through apprenticeships, via distance learning using the new technologies or directly in the workplace. It has been recognised that technical education and vocational training are necessary for the establishment of an education system that offers an alternative to students leaving the system who will ultimately provide a skilled workforce for the formal and informal sectors but attempts to make schools into combined centres of education and training have led almost everywhere to a decline in standards of education, without providing a standard of vocational training that can be recognised by employers in the formal sector.

- b) This means that it is necessary to support educational strategies, systems and processes that promote **the demand for education and the acquisition of qualifications paving the way for the economic growth**, increased productivity and the efficiency of those in employment. The corollary is that any development strategy has to look in further depth at the complex relations between education, qualification and employment within the integrated framework of a poverty reduction strategy.
- c) This means that the developing countries should introduce **innovative approaches that go beyond the formal education sector, enable girls to move beyond the primary education level, promote self-employment and concomitant access to other forms of capital (land, loans) in particular for women, develop a framework conducive to expansion of the private sector and ensure lifelong learning**. In this context, it is essential to step up the acquisition of qualifications in adult literacy programmes, especially for women.

Similarly, in order to increase school attendance levels, secondary schools should forge **links with the labour market**. Enterprises should set up **partnerships** in order to strengthen synergies with schools.

- d) This requires the introduction of active **labour market policies linking the development of skills with employment**, possibly including: job-seeking aid, improvements to employment services, programmes of targeted training combined with income substitution benefits, direct assistance for job creation and other measures related to the flanking structural policies, including private sector development. Close cooperation with businesses on matching the supply and demand of skills in specific economic sectors also plays an important part in this approach. **This should be a priority for the Community in its political dialogue**.

The aforementioned need to improve teaching quality, the number of teachers, the quality of statistics and the pooling of knowledge applies also to job-related training.

### 3. Higher education

- a) Support for higher education is a key component of the “Education for All” strategy. Teachers and planners are trained in higher education institutions which are also centres for educational research. Support for higher academic, technical and vocational education is just as necessary as support for primary education.

Support for higher education is also necessary for countries’ institutional development. Institutional capacity-building is an essential component of programmes in all sectors of development cooperation.

In this context, **information and communication technologies** can improve the management, implementation, content and quality of education services throughout the world. These technologies - **which are a tool and not a priority in themselves** - can help greatly to improve the organisation of education systems, access to these systems (support for teacher training, access to foreign

languages, overseas training, etc.) and quality (access to a wider range of knowledge, interinstitutional network assistance). **This applies, for instance, to distance learning methods for teacher training.**

- b) **Cooperation in the area of higher education between European and third-country institutions seems to be a useful way of supporting higher education in these countries. This cooperation is to be promoted at the regional level in particular.**
- c) The Community must be more vigilant in regard to the impact on these countries of a brain drain to the developed countries and must ensure greater taking into account of other Community policies. It must also ensure that development cooperation policies do not unfairly limit the ability of these countries to provide for their own development at a time when the **brain drain** from the south to the north has reached unprecedented levels.

The Commission will also ensure coherence between other Community policies and development cooperation.

- d) It sees its own measures in this field as a necessary contribution to **institutional and administrative capacity-building in recipient countries**. The Commission's **Common Cooperation Framework for Higher Education** places this approach on a practical footing (Annex 7).

#### **IV. METHODS OF IMPLEMENTING COMMUNITY EDUCATION AND TRAINING PRIORITIES**

Implementation of the Community's priorities in education and training will be based on the following strategic options:

1. Political and strategic dialogue with the countries in the Country Strategy Papers (CSPs) and partner countries' Poverty Reduction Strategy Papers;
2. The sector-wide approach;
3. Consideration of the macro-economic and budgetary framework;
4. Consideration of the needs and participation of the poor;
5. The participation of education actors and civil society in the broad sense;
6. Support for institutional development and capacity building;
7. Monitoring activities and results (indicators).
8. Financing instruments (recurrent costs).

**1. Political dialogue: the Community's Country Strategy Papers (CSPs) and partner countries' Poverty Reduction Strategy Papers**

a) The recently approved guidelines for Country Strategy Papers (CSPs) explicitly provide for an analysis of the policy programmes of recipient countries. The purpose of the CSPs is to create a framework for Community cooperation and to meet and support national development efforts as expressed in national development strategy. Education and training are a sectoral priority at the stage of dialogue on programming.

b) The introduction of PRSPs at the end of 1999 represents a turning point in aid and tries to return the initiative to recipient countries by placing poverty reduction at the centre of development strategies. PRSPs are government policy documents prepared following consultations with civil society and the private sector which analyse poverty in the country concerned and set out a programme to reduce it.

Education and training are a priority of PRSPs since they are instrumental in reducing poverty. Donors, and in particular the Commission, must ensure that PRSPs comply with the commitments made at the Dakar Forum on Education for All, in particular in the area of support for basic education.

**2. The “sector-wide approach”**

a) **The sector-wide approach in education** is the Commission's preferred method to support a sector; in this field the Commission has developed the achievements of the international community. **Ownership by the recipient country** is essential for the implementation of this approach. The aim is to consider the education sector as a whole. It is an ongoing and dynamic process; sub-sectoral support is still possible provided that it is relocated in the overall context of the sector, and a key aspect of this is the ownership by the country of policies and implementation. The sector-wide approach in education must be accompanied by high-quality monitoring and evaluation systems and be more result-oriented.

b) Support from donors must be long term as results are not immediate, especially in social sectors. The external support that countries receive must therefore be reasonably predictable, especially in the case of education which is, more than other sectors, a government-directed public service.

c) The sector-wide approach has the advantage of **managing the number of education cooperation measures**. But in many countries a sector-wide approach as described is not yet in place; in this case the approach could be targeted to sub-sectors or fields with a minimum of capacity **and with a strengthening of institutional capacity**. Education programmes will be financed bearing in mind the conditions of the sector as a whole.

### 3. **Consideration of the macroeconomic and budgetary framework**

- a) The sector-wide approach presupposes a viable macroeconomic framework and a transparent and efficient budget framework, within which the specific financial features of the education sector obviously have to be included. Greater consistency is therefore to be sought between economic reform programmes and sector-wide programmes so that the former are better able to serve the objectives of social sectors, and in particular education.
- b) In this field, therefore, the Community and the Member States must ensure, by setting result indicators, **that resources are channelled into education and training, in line with international commitments (Millennium development objectives) and to offset in part the financing shortfall in education budgets** on condition that the developing countries seriously commit themselves to these objectives.
- c) **In this context the Community will encourage macroeconomic support in the framework of dialogue with governments on their education policy** and its implementation; it will have to monitor **governments' medium-term expenditure framework**, trends in the amounts of resources channelled into education and the results achieved on the basis of monitoring and result indicators. The sector-wide approach will be applied. This requires **substantial institutional support** to countries and delegations in order to step up monitoring of the impact of the budgetary support, tie macroeconomic support more closely to results in the education sector and set up or improve systems for monitoring education sector performance.
- d) However, macroeconomic support alone cannot provide sufficient aid to education, even if tied to result indicators in the sector. It does not take real account of sectoral sub-strategies and the need to help partner countries devise appropriate education strategies. Consideration should also be given to the fact that Community practices are different from those of the Member States and vary according to the area or region.

**In keeping with the macro-economic framework, the Community will support the education sector through sectoral programmes based on dialogue with all the partners.**

### 4. **Taking account of the needs of the poor and their participation**

One of the main risks of the sector-wide approach applied to education is that people who are below the poverty line remain outside the system and fail to benefit from advances in access to and quality of education.

At government level, education measures need to be targeted on poverty within the medium-term programming and budget implementation process. At the same time, expenditure on the protection of the poor must be protected against any budget cuts. From the point of view of donors, joint reviews play a key role since they enable practical measures to be taken to consolidate poverty reduction objectives.

The choices made in the framework of macroeconomic programmes or in the area of direct sectoral support should, in the interests of fairness, be aimed primarily at promoting the least advantaged population groups, who do not necessarily have access to these services.

Users of public education services must be consulted about the objectives of the sectoral policies supported by donors before they are adopted by governments and must also be involved in their implementation.

The specific school coverage needs of some disadvantaged regions or groups (distribution, schools in rural areas, ease of access to schools) must be taken into account when implementing sectoral programmes.

If education services are decentralised, mechanisms are needed to enable the users of these services to monitor results.

**Lastly, priority for basic education and preferential access for girls are key components of poverty reduction in public expenditure programmes.**

#### **5. Participation by the education actors (including the private sector) and of civil society in the broad sense**

Participation by the actors and civil society must be considered a priority. Participation of this kind needs therefore to be sought with parents' and teachers' associations in particular. This will work only if real financial capacities are provided at local level.

Participation by the actors may also be assisted by decentralisation policies. Countries as well as donors must be able, however, to audit the allocation of funds to users. In this context, participatory social assessments should be used more systematically, particularly in the sector-wide approach. Decentralisation may also help to mobilise the actors, especially if they are able themselves to monitor education measures

The importance attached to actors in the education sector also means that account has to be taken of the **“private sector” of education** which may in some countries make a **major contribution to the quantity and quality of education, especially outside the formal education system.**

#### **6. Support for institutional development and capacity-building in education systems**

Donors have not, in general, paid sufficient or systematic attention to institutional capacity-building even though it plays a large part in the sustainability of sectoral programmes. Support for institutional capacity-building tends to be a natural consequence of the sector-wide approach. It is a key factor for the introduction of viable education strategies. This is reflected by the Code of Conduct on Education adopted by the Commission and the Member States (**Annex 8**).

Institutional capacity-building in the education sector may include support for policy formulation and implementation, substantive and budget auditing of government commitments, financial constraints and choices, development of the ability to dialogue with donors, consistency with public service reforms, development of teachers'

capacities and training, infrastructure planning (school locations), support for gender issues and local capacity to produce usable statistics.

The Commission considers that institutional support for education must be seen as **part and parcel of the general enhancement of countries' institutional and administrative capacity. It is consistent with the Commission's commitment to finance recurrent expenditure in the context of budgetary support.**

## **7. Monitoring of activities and results (indicators)**

- The use of budgetary support and the sector-wide approach means that **activity monitoring (input) indicators, results (output) indicators and impact indicators** must first of all be those of the country, e.g. within the framework of the Poverty Reduction Strategies.
- **They must also be common to all the donors**, because it is no longer possible to evaluate the impact of a single donor's activity in isolation from the country's activity and other donor operations. This is particularly true if donors are willing to make up the financing shortfall of the "education of countries" budgets with a view to achieving the Millennium development objectives.
- Considerable efforts need to be made to improve over time the statistical data on which indicators are to be based, if reliable and relevant indicators are to be set up. It is vital that statistics **be broken down by gender**. Countries and donors also need to improve their monitoring and feedback systems.
- Indicators should be few in number, simple, relevant and readily measurable and achievable. Donors and partner countries must check that the indicators used in the country and poverty reduction strategies are consistent.

Annex 9 summarises the criteria for the use of indicators. The success rate of an age-group after a sufficient number of years of education (end of primary education) is a good indicator of a system's efficiency.

## **8. Financing instruments**

- The Community will back education and training systems through macroeconomic and budgetary support on the basis of monitoring and results indicators, in coordination with the other donors, and on the basis of viable sectoral policies on the part of recipient countries.
- The Community will **defray the ongoing current expenditure connected with some measures (for instance teachers' pay)**, especially for the poorest countries and those that are in or emerging from crisis.

This undertaking is new, consistent with direct budgetary support, and should enable many countries to strengthen the tenability of the reforms they wish to undertake in the management of their education systems. It is expressly provided for by Article 61 of the Cotonou Agreement. It will take place in a healthy macroeconomic context in order to ensure the long-term viability of education systems.

The conditions of this payment undertaking are linked to the circumstances of the macroeconomic support itself: there must be sufficiently transparent, reliable and efficient management of public expenditure; clearly defined sectoral or macroeconomic policies established by the country; and known, transparent public procurement rules.

- It will continue, in line with the Joint Declaration of the Commission and the Council, its support to the education sector with a view to ensuring equal access to education by means of sectoral programmes.
- This support can be provided through joint financing, which will be based on matching the partner country's financing needs with the overall capacity of donors.

The financing should preferably be provided under the management of one donor, ensuring pooling of its financial resources and that of other donors, according to the macro-economic context and based on a sector-wide approach. It may take the form of strengthened operational coordination, harmonisation of procedures, joint monitoring and evaluation and possible unified financial support.

#### **Lack of financing: Tanzania**

In Tanzania the Poverty Reduction Strategy Paper contains a programme for the development of the education sector which should enable the country to achieve education objectives by 2015. The cost of the programme is estimated at \$ 969 million for three years (until 2004). The Tanzanian Government can only finance half of that amount. The World Bank and DFID have undertaken to cover two thirds of the remainder. Thus despite this aid the sectoral financing plan does not cover all of the estimated needs.

**Source:** OXFAM, Are PRSPs working? 21 December 2001.

## **V. CONSISTENCY, COORDINATION AND COMPLEMENTARITY BETWEEN DONORS**

1. For the Commission, coordination and complementarity with the Member States and the other donors must take place via increased cooperation in the framework of tenable sectoral policies owned by the recipient states.
2. Commission cooperation with international bodies (UNESCO, ADEA), the other multilateral donors (World Bank) and with the Member States **must be substantially strengthened both in terms of policy analysis and the formulation of joint programmes and on the operational level through wider-ranging cooperation in the field.** The Community undertakes to strengthen cooperation with European donors by meetings of experts in Brussels and on the ground in the framework of sectoral strategies for education.

3. Increases in aid resources for education should, according to the Commission, take place also **within a framework of complementarity with Member States' measures**. The Member States must also take on their responsibility in this field on the basis of much closer coordination between them and with the Commission.

In its conclusions on operational coordination between the Member States and the Community (May 2000), the Council listed the following areas: **information exchange, dialogue on strategies, cofinancing, differences in implementation between regions, joint evaluations and studies, etc.** These conclusions are fully applicable to education and training strategies.

4. Complementarity is likely to play a greater role where the governments of partner countries have clear education sector policies which are actually applied and where financing mechanisms are common to both donors and partner countries. **The critical point in this respect is the level of financing of education and training budgets and the commitment of donors to finance the shortfall.**

**The Commission considers the strengthening of coordination and complementarity to be an essential prerequisite for increasing the overall efficiency of aid.**

## **VI. CONCLUSION**

This Communication from the Commission refocuses its sectoral support on poverty reduction in line with its recent international undertakings. It confirms its **political commitment to stepping up education and training resources in its development cooperation.**

The Commission therefore asks the Council to adopt a resolution in accordance with the guidelines contained in the Communication.

## **Annex 1 : Definitions**

It has been acknowledged, in line with the recommendations of the Jomtien and Dakar conferences, that basic education requires a specific definition that is no longer over-restrictive or too technical (e.g. the OECD/DAC definition) but can be more broadly applied to all regions and education systems. It therefore seems appropriate to adopt the definitions of basic education produced by the conferences as well as the OECD/DAC definitions for other categories or sub-sectors.

**Basic education:** basic education needs to be redefined in respect of the terms “technical”, “special”, “higher”, “tertiary” and “lifelong”. Basic education as such embraces formal primary education but also covers all the skills, knowledge, attitudes, values and motives considered necessary for an individual to fully master the skills of reading and writing and to lay the necessary foundations for embarking on a voyage of lifelong learning. Basic education can be dispensed by means of both formal and informal resources and institutions.

The length and nature of the “basic” school cycle varies from one country to another: from a minimum of 3-4 years of primary school to a nine-year cycle or the completion of a full secondary cycle.

**Infant education:** offers a structured series of activities in a formal institution or as part of a non-formal programme for children. These activities are normally geared to children from the age of three onwards and include organised learning activities as one part of the overall care programme.

**Primary education:** refers to education programmes normally designed to give children a firm grounding in reading, writing and mathematics and an understanding of other subjects. In most countries this level covers approximately six years of full-time formal schooling.

**Secondary education:** study in the secondary cycle.

**Training:** vocational training geared to preparing young people and adults for work and basic living skills; secondary-level basic and technical vocational training; continuing training; apprenticeship including informal vocational training.

**Higher education and training:** university-level degree courses; in *lycées* and *polytechniques*: grant programmes.

**Annex 2 :**  
**The education situation**

- 1) Data provided at the Dakar Forum on Education for All (April 2000) show that close on **113 million children (60% of whom are girls) are not enrolled at school. In nearly 40 countries, net enrolment rates for primary education are below 80%**. Although it is extremely difficult to obtain accurate data on school attendance, completion rates and results, it is estimated that in sub-Saharan Africa one third of children enrolled for primary education drop out of school after four years.

Sub-Saharan Africa, where net enrolment rates are the lowest (61%) and where 42 million of Africa's 140 million school-age children live, and southern and western Asia, where 47 million of Asia's school-age children live, pose the severest challenges for Primary Education for All. There are close links in these two "regions" between low school enrolment rates and the incidence of poverty.

The situation seems less desperate in southern and western Asia. In the Arab countries and North Africa, considerable efforts will have to be made to ensure that a further 29 million children attend school by 2010.

In Latin America and the Caribbean there has been a slow expansion of secondary education which is a step in the right direction, but many children leave school after a few years and rates of repeated years are still very high. The quality of education is an urgent problem in these areas.

In general, world demographic trends show that it is reasonable to fear a drop in school attendance rates in the future.

- 2) All the education systems of the developing countries raise problems from the point of view of **evaluating the quality of school outcomes**. A recent study of 58 countries shows that in 23 of these countries over 20% of children enrolled for the first year of primary education fail to complete four years of education. Primary education completion rates are between 60% and 70% in most countries of sub-Saharan Africa. There are major disparities within countries. Africa has one of the lowest rates of progression to secondary education (less than 10%).

**The inequalities faced by girls** are most evident in sub-Saharan Africa and southern and western Asia. In sub-Saharan Africa, 54% of girls of school age were enrolled for primary education in 1998 against 66% of boys. In southern and western Asia, the percentages were 67% and 79% respectively. While disparities between boys and girls are in general decreasing, enormous progress has still to be made to achieve parity by 2005 in sub-Saharan Africa, southern Asia and the Arab countries.

- 3) **As regards illiteracy**, one out of four of the world's adults was illiterate in 2000 (i.e. close on 900 million people) and this figure is increasing: most are women. Southern and eastern Asia account alone for 71% of the world's illiterates. Illiteracy is a major barrier to sustainable development.

Poverty increases educational disadvantages. Although access to education in the poorest countries is more difficult for children from rural areas, access problems are also to be found in many countries in urban areas to which there has been an exodus from rural areas; in these urban areas, poverty is a barrier to any recovery of children by the education system, especially in Asia.

- 4) **AIDS is having devastating effects on the poor and on education**, especially in sub-Saharan Africa. In Zambia, 1 300 teachers died from the disease in the first ten months of 1998 and there are estimated to be 650 000 children aged under 15 whose parents have died from AIDS. An ever increasing number of children are on the streets. There are clear signs of a substantial downturn in school attendance by girls and an increase in child labour in countries with high AIDS prevalence rates.

AIDS is also having a catastrophic impact on education system performance; AIDS affects the size of education systems (fewer pupils and teachers), teaching and learning methods (when pupils and teachers are infected) and education quality (higher rate of absenteeism among pupils and teachers).

- 5) **Education systems have been hard hit by conflicts**, especially in sub-Saharan Africa, but also in other conflict zones (Colombia, Afghanistan, etc.). Conflicts affect the availability of teaching materials and the organisation of systems. Children are often the main victims of conflicts. According to UNICEF, over two million children have died over the last 10 years as a result of armed conflicts. The number of severely injured children and survivors suffering from very severe psychological trauma is estimated at six million.

**Annex 3**  
**Share of total development assistance to education and to basic education**  
**(DAC countries)**

<i>Donor</i>	<i>% to education in total</i>	<i>% to basic education</i>
Australia	15.7	3.9
Austria	19.8	0.5
Belgium	13.0	0.5
Canada	8.1	0.8
Denmark	1.2	0.1
Finland	7.4	0.2
France	27.4	-
Germany	16.8	1.9
Greece	6.3	-
Ireland	15.9	-
Italy	5.8	0.0
Japan	8.7	0.4
Luxembourg	18.7	3.2
Netherlands	8.3	3.9
New Zealand	35.1	1.8
Norway	10.4	6.5
Portugal	7.3	0.0
Spain	12.1	2.2
Sweden	5.8	2.9
Switzerland	3.6	1.2
United Kingdom	9.6	3.0
United States	3.2	1.2
<b>Total grants</b>	<b>10.7</b>	<b>1.2</b>
<b>Total ODA</b>	<b>4.8</b>	<b>0.9</b>
World Bank	6.3	1.3
Other development banks	2.4	0.1

Source: DAC Report 2000 on Development Cooperation, pp. 246-247

## Annex 4

### Member States policies in the education and training sector

#### **Austria**

Austrian Development Co-operation gives priority to basic education, vocational training and post-secondary education. Special focus is placed on increased access to education for all, quality development of educational programmes, support for reform processes by partner countries, science and research, democratic institutions and institution building.

Bilateral aid focuses on a number of countries mainly in Europe, Asia and Sub-Saharan Africa.

In 1999 Austria spent 19.8% of its total bilateral aid on education.

#### **Belgium**

Education sector support is focused mainly on financing university co-operation. However, stronger priority is being given to basic education, formal and informal education and access to education.

Belgian bilateral aid is focused on 25 countries, but there are not necessarily educational projects or programmes in each of these countries. All countries negotiate periodically with Belgium and it is decided by mutual agreement which sectors will receive financial support.

Belgium finances in particular projects implemented by Belgian universities and with Belgian technical assistance. However, aid programmes in general and budgetary support in particular constitute a relatively new form of aid for Belgium.

In 1999 Belgium spent 13.0% of its total bilateral aid on education.

#### **Denmark**

The focus in the education sector is on basic education and special needs education as a component of basic education in a selected number of partner countries in Africa, Asia and Central America.

Bilateral assistance within a sector will, to the fullest extent possible, take the form of sector programme assistance. Sector policy dialogue is emphasised. Danida is also working towards an increasingly decentralised approach to project management.

In 1999 Denmark spent 1.2% of its total bilateral aid on education.

#### **Finland**

The Finish Government gives priority to basic education. The geographical focus is on Africa (there are sizeable education programmes in Mozambique, Tanzania and Zambia, among other countries). However, in recent years new projects have been launched in Latin America, Asia and the Balkans.

A portion of development co-operation funds is channelled through non-governmental organisations. In recent years, sector-wide programmes have been launched in many partner countries.

The Education sector accounted for some 7.4% of Finnish development co-operation funds in 1999.

### **France**

Under French co-operation in the field of education and training the largest budget allocation is for technical assistance. Technical education, higher education and education supplies were other priority areas. Recent trends have seen a rise in support to the basic education sector (which includes secondary education). Almost half of education sector support focus on seven countries: Burkina Faso, Cameroon, Ivory Coast, Madagascar, Mauritania, Senegal and Chad.

France provides both direct budgetary support and project support.

In 1999 France spent 27.4% of its total bilateral aid on education.

### **Germany**

The German education sector policy focuses on the promotion of basic education, co-operation in higher education, and vocational training. In the 1990s the vocational training sub-sector received almost 50% of German co-operation in education. However, increasing amounts and priority are being given to basic education. Regional priority areas of German development co-operation in the field of basic education are Sub-Saharan Africa and populous countries of South Asia. Taking all three education sectors together, regional emphasis is on co-operation with Africa, closely followed by Asia.

Sectoral support, in co-operation with other donors, will be placed in the foreground. All measures should be regional- or country specific. Germany provides project support.

In 1999 Germany spent 16.8% of its total bilateral aid on education.

### **Greece**

Greek ODA is mainly concentrated in its own region, and focuses on health and education infrastructures. It devotes approximately 10% of its ODA to education, using a project approach.

### **Ireland**

The focus of Ireland's aid support to education changed in the 1990s from an emphasis on tertiary education to one on basic education. By the end of the 1990s over 90% of the education budget was allocated to basic education. Ireland's ODA in the education sector focused principally on three countries in the 1990s: Lesotho, Tanzania and Zambia.

Education support is provided through bilateral and multilateral support and through NGOs. Ireland's aid supports national efforts and sector-wide approach programmes. Other aid modalities include area-based or district development programmes and project aid.

In 1999 Ireland spent 15.9% of its total bilateral aid on education.

## **Italy**

The largest share of Italian co-operation in the education sector has been channelled to university co-operation, followed by investment in material infrastructures. Support for policy reforms and capacity building is also being given an increased focus. The regional emphasis is on Somalia and Latin America, but North Africa, the Middle East and some countries in Asia are also important regional focuses.

In 1999 Italy spent 5.8% of its total bilateral aid on education.

## **Luxembourg**

In 1999 Luxembourg spent 18.7% of its total bilateral aid on education, of which 8.2% was committed to basic education.

## **The Netherlands**

The Government is giving increasing priority to access to education (mainly basic education) within the context of poverty reduction and the PRSPs while retaining a strong emphasis on higher education. This intensification of effort is done by enhancing the policy dialogue and increasing financial resources, through both bilateral and multilateral channels. More than half of the focus countries of the Netherlands have opted for co-operation in the education sector.

The main instruments of aid are: project and programme aid, technical assistance.

In 1999 the Netherlands spent 8.3% of its total bilateral aid on education.

## **Portugal**

Support for the education sector has been identified as one of the priorities for Portuguese co-operation policy in the next three years. The co-operation programme on education will focus on five areas: support for primary and secondary education, higher education support, infrastructures and facilities, institutional building and Portuguese teaching schools. Particular attention will be given to basic education (primary education, literacy and non-formal basic education). Portuguese co-operation will focus on Africa (Angola, Mozambique, Cabo Verde, Guinea Bissau, Sao Tome e Principe and Timor Leste).

Portugal works through project support.

In 1999, Portugal spent 7.3% of its total bilateral aid on education.

## **Spain**

Spanish aid has the following priorities within the education sector: educational policy and administrative management, educational services and facilities and training, and university education. The focus has been on inter-university co-operation. A new strategy on co-operation in the education sector is under preparation. Geographically, the focus is on Latin America, some parts of the Arab world and some ACP countries.

The development aid in the education sector is principally disbursed through a project approach.

In 1999 Spain spent 12.1% of its total bilateral aid on education.

### **Sweden**

The main area of support in education programmes is primary education. Education programmes also aim at gender equality and the promotion of peace, democracy and human rights. Africa received more than half of all disbursements.

Swedish development co-operation in the education sector has undergone a change from project support to programme support (SWAP). It began with the provision of support mainly for school construction, teacher training and textbooks, but is now mostly channelled directly to the government budgets in the partner countries.

In 1999 Sweden spent 5.8% of its total bilateral aid on education.

### **United Kingdom**

DFID's policy at country level gives high priority to improving access to and quality of primary education. A high proportion of the UK's bilateral aid benefits least-developed and other low-income countries.

DFID's approach places increasing emphasis on supporting consistent sectoral plans within a comprehensive country-led analysis in the context of the countries' overall poverty reduction strategies. Priority is given to direct budget support for a set of well-developed national priorities.

In 1999 United Kingdom spent 9.6% of its total bilateral aid on education.

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**Annex 5: Community cooperation in education and training**

**Current commitments by geographical area (November 2001)**

REGION	GLOBAL COMMITMENTS		BASIC EDUCATION		OTHER LEVELS OF EDUCATION AND TRAINING	
	EUROS	Number of projects and programmes	EUROS	Number of projects and programmes	EUROS	Number of projects and programmes
Europe, Caucasus, Central Asia	176 943 835	31	0	0	176 943 835	31
Asia	693 595 250	24	567 350 000	13	126 245 250	11
ACP + South Africa (without Structural Adjustment)	627 381 475	116	232 709 650	26	394 671 825	90
MED	388 673 571	21	180 000 000	3	208 673 571	18
Sub-total Latin America	164 522 820	22	26 713 645	4	137 809 175	18
<b>TOTAL</b>	<b>2 051 116 951</b>	<b>214</b>	<b>1 006 773 295</b>	<b>46</b>	<b>1 044 343 656</b>	<b>168</b>

**Annex 6**  
**Evaluation of Community support for education in the ACP countries**

**Summary of main conclusions and recommendations, based on the draft report**

7th and 8th EDF aid to education in ACP countries shows a nominal but not substantial increase. The shift of priorities towards basic education has favourably influenced the amount of funds channelled to it. On the whole the results do not reflect the interest demonstrated by the Commission in supporting basic education given its effects on reducing poverty.

The link between education and reducing poverty was recognised only after most of the education programmes/projects in ACP countries had been devised, which partly explains the absence of any conceptual framework allowing for synergies between programmes in these respective fields, and of any systematic attention to the poverty aspect in the implementation of education programmes.

Under appropriate circumstances, budgetary support (combined with “project” support, especially for institution-building) appears to be more suited to the needs of low-income countries that depend heavily on external aid and where better access to education is a priority, compared to medium-income countries that have the budget resources necessary to support project investments.

The sector-wide approach should only be envisaged under appropriate circumstances: an approved strategic framework and a national sector policy, a medium-term budget linked to annual budgets, coordination between government and donors, competent and active Delegations, and performance indicators increasingly focusing on the quality of results in education.

The “project” approach should not be abandoned, in particular in situations not allowing for large sector programmes. Essential factors for successful education projects include: a favourable political environment, good governance, ownership of preparation and implementation at local level, flexible programming, technical assistance for institutional change, clear objectives, and a link with a single institution.

It is advisable to include in Country Strategy Papers an analysis of the political environment and of the macroeconomic budgetary and sectoral management capacity, to pave the way for more detailed decisions as to the type and level of support for education as well as the choice of implementation mechanisms.

More attention and resources should be devoted to support for institutional capacity building, which can be reinforced through partnerships, North-South pooling of experience, scholarships, technical assistance and regional support. Key fields include: information gathering, analysis, dissemination and management; budgetary and financial management; public service management; follow up and evaluation.

It is recommended that the number of specialists in education and social sectors in Brussels and in Delegations be increased. This would improve the credibility of the Commission in its relations with partner countries and donors, which is essential in the present devolution and decentralisation process.

The Commission should place more emphasis on research development in education, including publications; and improve its data collection, storage and utilisation system.

## Annex 7

### Common Framework for Cooperation with third countries on higher education

The Common Framework defines the main guidelines for establishing a frame of reference for cooperation in the field of higher education between the European Community and developing countries, as well as with emerging economies and countries in transition. It proposes harmonising the methods of implementing Commission programmes/projects with a view to improving the effectiveness and impact of existing cooperation in the field as part of a strategy to focus efforts.

The Common Framework rests on the following principles:

- **Support for institutionalised networks**, based on structured and sustainable cooperation between countries/regions and designed to contribute to the development of local capacity through the transfer of know-how. The Common Framework also recognises the importance of projects to encourage mobility, both for students and teachers.
- **A flexible approach** that respects the priorities set for each country/region and the differences between them in terms of cooperation policy. Projects/programmes defined on the basis of the Common Framework will include features specific to the regions/countries concerned: for example, priority thematic areas for cooperation, eligible establishments, network membership and financing levels. Flexibility in the cooperation objectives pursued will ensure the consistency of these actions with the two Communications mentioned above.
- Use of the existing legal basis for each geographical area (for example, the Cotonou Agreement, budget headings, and so forth). Financial resources will be allocated by the DGs responsible for programming, on the basis of the priorities laid down and following standard programming procedures.

The typology of actions covered by the Common Framework may cover various aspects, such as:

- updating of administrative and academic management (management of academic and administrative staff, management and development of curricula, management and development of university teaching careers, etc.);
- developing human capital by means of training and mobility (training and mobility schemes for university students and professional managers, training and mobility for university teachers and instructors, networking of high-level experts);
- financial and technical assistance for institution-building.

The Common Framework envisages the setting up of a regular system of “calls for proposals” by region or country. These calls for proposals will be intended for final beneficiaries, i.e. higher education, research and vocational training establishments recognised by the respective authorities, organised in networks around a joint project. Other partner institutions (public or private institutions/organisations, companies, associations and organisations representative of civil society) will be able to form part of the networks by participating in the preparation and implementation of projects. High level teachers and instructors, students and administrators of the beneficiary establishments are the final recipients of the projects resulting from the Common Framework.

**Annex 8**  
**Code of conduct for education sector funding agencies**

1. Participants of the Horizon 2000 Meeting of Education Experts from the Commission and Member States share the view that all reasonable steps should be taken to implement the following:
2. Ensure that information on all relevant interventions in the sector (including consultancies, new project initiatives, requests for assistance made by government, project appraisals, implementation and progress reports, technical assistance reports, evaluation reports) is made available to government and other funding agencies. Confidential matters (e.g. internal problems relating to inappropriate behaviour by expatriate staff) may be excluded.
3. Strictly adhere to maximum national/regional rates of remuneration and allowances set by governments in agreement with donors for civil service employees, remuneration of national consultants, payments for conferences, etc. Avoid “buying out” civil servants for private funding agency consultancy.
4. Ensure that donor-financed Technical Assistance for governments:
  - is driven by government priorities and absorption capacity, on the basis of the initial draft Terms of Reference that are normally provided by the government;
  - reports primarily to government managers;
  - strengthens government institutional capacity by focusing on skills transfer to civil servants in priority government functions,
  - is not restricted to supporting individual funding agency projects or programmes;
  - develops local consultancy expertise wherever possible;
5. Incorporate gender issues in all missions, studies or related activities and use experts in this field if necessary. Ensure environmental aspects are taken into account in education-related activities where appropriate.
6. Actively encourage national consensus-building processes and support local coordination mechanisms (to encourage government ownership and use as a means of exploring further aid options and modalities).
7. Work towards:
  - using the recipient country's own financial, procurement, monitoring and reporting procedures and guidelines;
  - following the government fiscal year and procedures for progress reports, financial reports and audits;
  - consolidating reporting procedures.
8. Use existing structures in order to ensure maximum integration in MoE policy.

9. Ensure effective communication between the local funding agency offices and headquarters.
10. Organise joint evaluation missions, joint monitoring, joint auditing and evaluation, in accordance with the government's budget cycle and fiscal planning.
11. In consultation with the government, schedule missions to fit the government's timetable, on a scale that is manageable for it.

## Annex 9 Indicators

Indicators must be included in Country Strategy Papers, PRSPs and specific programmes.

The most useful indicators, in addition to monitoring indicators, are result indicators. Examination of these indicators has to include an analysis of past trends in order to measure whether or not they are realistic. They must be such that they can be used both to measure progress made and possibly to enable a re-orientation of policies. They should be reasonably achievable and at the same time express an actual effort to achieve objectives.

The typical indicators for education are: **the percentage of the country's budget channelled into education and the percentage allocated to primary education, an annual audit, and the class, teacher and textbook ratio per pupil.** Other indicators may concern **the percentage of pupils of a certain age reaching a certain level, the number of teachers recruited, the introduction of information systems for the management of education, the rate of enrolment in primary school and the illiteracy rate.**

It should be stressed here that the choice and monitoring of indicators will not be effective unless the developing countries and donors strengthen their own monitoring and evaluation systems so that they can improve knowledge of what they are doing and draw lessons for the policies to be pursued.

For education as for other programmes, improved management of public expenditure is an essential dimension and a prerequisite for the implementation of any budgetary support. In practice, this improvement involves the gradual introduction of the following measures:

- Development of specific performance indicators in the area of budget management and more generally the sound management of public finances;
- Support to strengthen monitoring capacities within and outside countries (institutional support to strengthen financial and budgetary audit agencies);
- Support to strengthen indirect auditing by civil society (through information and transparency of allocations and budget execution).

Development of instruments making it possible to evaluate the quality of budget management, which extend the scope of public expenditure audits or act as a supplement to them.